

Assembly Joint Resolution

No. 1

Introduced by Assembly Members Koretz, Vargas, and Wiggins

January 6, 2003

Assembly Joint Resolution No. 1—Relative to federally funded unemployment insurance benefits.

LEGISLATIVE COUNSEL'S DIGEST

AJR 1, as introduced, Koretz. Unemployment insurance benefits.

This measure would memorialize the Congress and the President of the United States to enact legislation that would retroactively extend and increase the number of weeks of federal unemployment insurance benefits available to unemployed workers.

Fiscal committee: no.

1 WHEREAS, The current condition of the national economy is
2 negatively affecting millions of American workers and their
3 families; and

4 WHEREAS, The Temporary Unemployment Compensation
5 (TEUC) Program, created by federal economic stimulus
6 legislation in March 2001, to provide federally funded
7 unemployment benefits to workers who have exhausted their
8 regular state-funded benefits, was terminated on December 28,
9 2002; and

10 WHEREAS, Beginning on October 2, 2002, workers who
11 exhausted their state-funded unemployment benefits and who
12 began to receive their federally funded unemployment benefits
13 will not receive their entitled 13 weeks of benefits provided

1 through the initial legislation as a result of the December 28, 2002,
2 expiration date; and

3 WHEREAS, The 107th Congress adjourned without providing
4 for a further extension of unemployment benefits, leaving millions
5 of workers with no unemployment benefits beyond January 1,
6 2003; and

7 WHEREAS, As of the end of December 2002, approximately
8 one million workers nationally exhausted their unemployment
9 benefits and are still unemployed, and an additional 95,000
10 workers nationally are projected to exhaust their regular
11 unemployment benefits each week; and

12 WHEREAS, As of the end of December 2002, 124,000 workers
13 in California exhausted all their unemployment benefits and are
14 still unemployed, and an additional 14,400 workers in the state are
15 projected to exhaust their regular unemployment benefits each
16 week; and

17 WHEREAS, On December 28, 2002, 110,000 claimants in
18 California who were receiving extensions on unemployment
19 benefits are no longer eligible to receive further extensions; and

20 WHEREAS, Despite the extremely high unemployment rate,
21 the fact that California consistently ranks among the top 10 states
22 in unemployment, forecasts that unemployment will not
23 significantly decline until the later part of 2003, and the existence
24 of a healthy \$24 billion balance in the federal unemployment
25 insurance trust fund, the Congress and the President have failed to
26 adequately address the need to extend and strengthen
27 unemployment benefits; and

28 WHEREAS, Between March and December of 2002,
29 unemployment benefits provided California's economy with
30 \$1.227 billion in vital economic stimulus; and

31 WHEREAS, National studies have shown that every dollar
32 spent on unemployment benefits leads to another \$2.15 of
33 economic growth; and

34 WHEREAS, The stimulus provided by an extension of
35 unemployment benefits would bolster California's economy and
36 generate some of the necessary revenues to ease the current state
37 budget crisis; and

38 WHEREAS, Not only have Congress and the President failed
39 to extend the expiration date of the TEUC Program, but the current
40 unemployment benefits program falls well short of the federal



1 benefits provided during the recession of the early 1990s, despite
2 the fact that the current downturn has hit workers as hard as the
3 recession of the early 1990s; and

4 WHEREAS, The California Legislature expresses its
5 disappointment in the failure of Congress and the President to act
6 and for allowing partisan considerations to take precedence over
7 the needs of our country's working families; and

8 WHEREAS, The California Legislature directs much of its
9 criticism toward those members of the California Congressional
10 Delegation, whose conduct resulted in the failure of Congress to
11 act, thereby causing additional unnecessary and unconscionable
12 hardship for California families during the holiday season and
13 beyond; now, therefore, be it

14 *Resolved by the Assembly and Senate of the State of California,*
15 *jointly,* That the Legislature of the State of California urges the
16 President and the Congress of the United States to make a
17 retroactive extension of unemployment benefits for all
18 unemployed workers their first order of business when the 108th
19 Congress convenes in January; and be it further

20 *Resolved,* That the Legislature of the State of California
21 respectfully memorializes the President and the Congress of the
22 United States to enact legislation increasing the number of weeks
23 of federal unemployment benefits to those who have exhausted
24 their federal extension consistent with the program in place during
25 the recession of the 1990s; and be it further

26 *Resolved,* That the Chief Clerk of the Assembly transmit copies
27 of this resolution to the President of the United States, to the
28 Speaker of the United States House of Representatives, and to each
29 Senator and Representative from California in the Congress of the
30 United States.

